Assembly Bill No. 366

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Passed the Assembly August 30, 2016

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Chief Clerk of the Assembly

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Passed the Senate August 15, 2016

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Secretary of the Senate

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This bill was received by the Governor this _____ day of _____, 2016, at _____ o'clock ____м.

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Private Secretary of the Governor

CHAPTER _____

An act to add and repeal Chapter 3.75 (commencing with Section 7292.5) of Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

AB 366, Bonta. Transactions and use taxes: City of Alameda.

Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.

This bill would authorize the City of Alameda to impose a transactions and use tax for general purposes that, in combination with other transactions and use taxes, would not exceed the combined rate limit of 2% by more than 0.5%, if the city adopts an ordinance proposing the tax and the ordinance proposing the tax is approved by the voters, subject to applicable voter approval requirements, as specified. The bill would repeal this authorization on January 1, 2025, if an ordinance proposing the tax has not been approved by that date.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Alameda.

The people of the State of California do enact as follows:

SECTION 1. Chapter 3.75 (commencing with Section 7292.5) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.75. LOCAL GOVERNMENT FINANCE IN THE CITY OF ALAMEDA

7292.5. (a) Notwithstanding any other law, the City of Alameda may impose a transactions and use tax for general

purposes that, in combination with all taxes imposed pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), would not exceed the limit established in Section 7251.1 by more than 0.5 percent, if all of the following requirements are met:

(1) The city adopts an ordinance proposing the transactions and use tax subject to any applicable voter approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance pursuant to Article XIII C of the California Constitution. The election on the ordinance proposing the transactions and use tax may occur after January 1, 2017.

(3) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)) other than Section 7251.1.

(b) Notwithstanding Section 7251.1, the tax rate authorized in subdivision (a) shall not be considered for purposes of the combined rate limit established by that section.

7292.6. If, as of January 1, 2025, an ordinance proposing a transactions and use tax pursuant to this chapter has not been approved as required by paragraph (2) of subdivision (a) of Section 7292.5, this chapter shall be repealed as of that same date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures in the City of Alameda.

Approved _____, 2016

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                                        Governor